

The complaint

Mr H has complained about the actions of an appointed representative of Quilter Financial Services Ltd. He says, in brief, that the appointed representative failed to provide a professional advice service in relation to the potential transfer of two defined benefit (DB) pensions in 2022. For ease of reading, I'll be referring to "Quilter" in my decision.

What happened

On 18 January 2022 Mr H asked Quilter to advise him on his two DB pensions: "Scheme 1" and "Scheme 2". A fact-find of Mr H's circumstances and objectives was completed on 8 February. Scheme 1 provided information in a 'transfer pack' sent on 19 February which said Mr H had a cash equivalent transfer value (CETV) of approximately £145,000. This was guaranteed until 19 May. Scheme 2 provided its transfer pack on 18 March. It said Mr H had a CETV of approximately £553,000 which was guaranteed until 7 June.

On 22 March, Quilter emailed Mr H to say it had all the information it needed to start its analysis. On 12 April, Quilter emailed Mr H to say it had started its analysis but had spotted further information (about the State Pension Deduction, or SPD) was needed from Scheme 1 which, it said, had been requested the previous day. On 25 April, Quilter emailed Mr H to say it hadn't heard anything from Scheme 1 and was now getting concerned about the CETV deadline. Quilter suggested providing a recommendation on just the transfer of Scheme 2 which had a later CETV expiry date. To help it do this, it asked for further information from Mr H about his mortgage payments, rental income and investments. Mr H provided this information on 27 April.

After further chasing from Quilter, Scheme 1 responded on 10 May, saying the SPD information requested by Quilter was not applicable in Mr H's case which was why it hadn't been included when it originally sent its transfer pack. It said the CETV deadline wouldn't be extended. It then provided the SPD information on 13 May and, a week later, said it had extended the CETV deadline to 30 June.

On 30 May, Quilter emailed Mr H to say the advice report had been written but was waiting for the business assurance team to sign it off. At that point, the recommendation was to transfer. The next day Quilter confirmed to Mr H that its advice report covered both Scheme 1 and Scheme 2.

On 7 June (after 5pm), Quilter emailed Mr H to say the business assurance team had *not* approved the recommendation to transfer his pensions. On 10 June, Quilter asked Mr H for further information in relation to Mr H's income and expenditure, including the contribution made by Mr H's partner to the household budget. In response, Mr H questioned (amongst other things) why he was being asked for that information so late in the process, why he had only been told his recommendation very late on the day one of his CETVs expired and whether the decision by the business assurance team was final. On 14 June, Quilter attempted to address Mr H's concerns. It pointed to the delay caused by Scheme 1 sending incomplete information in its transfer pack and the one month (from 11 April to 13 May) it took Scheme 1 to provide the information once requested. Mr H expressed further concerns thereafter, including concerns about how the business assurance team had reached its

decision.

On 28 June, Quilter finalised its advice which was to not transfer. Mr H kept his DB pension schemes and has now started to receive income from them.

Mr H formally complained on 20 July 2022. He said, in summary, that Quilter provided an unprofessional service, lacked project management skills, 'outsourced' too much data gathering to him, didn't properly get to grips with his circumstances and didn't progress things in a timely manner meaning he couldn't act before his CETVs expired.

On 13 September, Quilter responded to Mr H's complaint. It didn't think it had done anything wrong, pointing (amongst other things) to the one month that was lost whilst waiting for information from Scheme 1. Mr H referred his complaint to us. During the complaints process, Quilter sent Mr H further materials relating to his case which has added to his concerns. I also note that Mr H has told us he feels he was "forced" into taking benefits from his DB schemes and that his plans for accessing his assets had been left in "ruin". This suggests he wanted to transfer and would have done so if Quilter had been more prompt.

Our investigator thought Quilter had taken too long to advise Mr H and this would have caused him distress and inconvenience. He awarded £400 in recognition of this. But he didn't think Quilter had caused a financial loss to Mr H. Mr H disagreed and asked for an ombudsman to review his complaint.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Having done so, I've reached the same conclusion as our investigator. I'll explain why.

To begin with I think it's worth noting that Quilter did cause delays here. For instance:

- Quilter had all the information it needed to start work on Mr H's advice on 18 March, which is when both schemes had provided their transfer packs. Quilter confirmed to Mr H on 22 March that it had enough to "collate the reports". But it wasn't until 11 April that Quilter requested missing information from Scheme 1. This was too long in my opinion, especially when one considers the transfer pack for Scheme 1 had been sent even earlier – on 19 February.
- Scheme 1 didn't provide the requested information until 13 May, by which point Quilter had already started to draft its recommendations report on just Scheme 2. Scheme 1 ultimately extended its CETV deadline, prompting Quilter to redraft its report so as to account for both schemes. Whilst I recognise Quilter chased Scheme 1, it's reasonable to conclude that any redrafting, and the additional delays this caused, could have been avoided had the missing information been identified earlier.
- Quilter's initial advice was overturned by the business assurance team. Whilst it's obviously better for errors to be picked up and correct advice given, it strikes me that the failings were quite significant here. Addressing all these can only have extended the advice process and done so just as deadlines were becoming tight. I think it's reasonable to say some of the remedial work would have been avoided had Quilter been more proficient in dealing with Mr H's case.
- Quilter has acknowledged the turnaround times for the business assurance team were longer than usual.

- After its initial advice had been overturned, Quilter went back to Mr H for more information; the inference being that the decision wasn't final and further information could swing the recommendation the other way. That being so, the information – which must have been deemed significant – should, reasonably, have been requested earlier in the process.

My intention here isn't to catalogue everything that might have gone wrong or could be deemed a delay. Advising on DB pensions is a complex matter. Gathering the necessary information is often an iterative process and will, realistically, take time and involve cooperation from third parties. I also need to be mindful that a small delay at the beginning of the process is unlikely to derail things in the way it would when deadlines are fast-approaching. More helpful, therefore, is to highlight – as I have done – delays that appear to have been more out of the ordinary, avoidable, and material enough to have contributed to CETV deadlines being missed.

With all the above in mind, I think it's fair and reasonable to conclude Quilter could have given its recommendation ahead of 7 June 2022, which is when the first (and largest) CETV expired, and certainly before 28 June which is when it finally advised Mr H. In coming to this conclusion, I recognise other parties also contributed to the delay, most notably Scheme 1 which took over a month to respond to an information request. However, my role here is to look at Quilter's actions. And I'm satisfied that, but for Quilter's actions, Mr H would have been advised before 7 June.

However, I'm not persuaded Mr H has suffered a financial loss as a result of Quilter's actions. Even though Mr H may well feel Quilter's actions prevented him cashing in his DB benefits at a high point (and I recognise Mr H feels he had other reasons for transferring), his CETVs represented the cost of replacing those DB benefits. As Mr H is actually receiving those benefits anyway, he is, financially speaking, no worse off. Or, to put it another way, Mr H would be put into a better position than he otherwise would have been in if he has both his DB benefits *and* compensation to account for the higher CETVs he says he missed out on. Besides, whilst I recognise Mr H would have had time to consider his options ahead of his CETVs expiring had Quilter acted more promptly, I'm not persuaded he would have transferred as a result. Arranging a transfer despite it being inadvisable to do so doesn't strike me as being a particularly likely step for a reasonable person to take. Most reasonable people wouldn't, ordinarily, take action that is deemed detrimental to their interests in this way. I'm not persuaded Mr H would have been any different.

Mr H also argues that he should be compensated for the fee he paid Quilter because that fee was for a "failed service". I disagree. I'm satisfied the advice – when it eventually came – was thorough. The fact that it went through a detailed quality assurance process would suggest as much. I recognise Mr H's point that the recommendation was late. But this doesn't negate its key messages because he was told he shouldn't transfer which is advice that would have been valid at the time it was given *and* subsequently as lower CETVs would typically make a transfer even less viable.

That said, Quilter's actions as the deadline for the Scheme 2 CETV guarantee period approached would have been distressing for Mr H. On 30 May Quilter told Mr H that its recommendation was being checked by the business assurance team. The email indicated that the recommendation was to transfer (which indeed it was at that point) because it said Quilter had already checked with the administrators of Scheme 2 and it was confident the transfer could be completed ahead of the 7 June deadline. But on 7 June, Quilter emailed Mr H to say that the business assurance team had not approved the recommendation to transfer, followed by an email to Mr H on 10 June requesting further information which suggested the decision wasn't final. But, of course, by then the Scheme 2 CETV had expired. And Quilter's advice didn't come until the end of June, just before the expiry of the

Scheme 1 CETV.

So Mr H would have been under the impression in the first week of June that his pensions were, likely, to be transferred. But I think he would have been concerned at the apparent lack of progress in that week, especially as it was the largest CETV that was about to expire. I think he would have been alarmed at Quilter's volte-face on 7 June and bemused – at best – to be asked further questions which he should reasonably have been asked previously. And, of course, by that point the CETV had expired so even if the advice was, ultimately, to transfer Mr H would have thought he was potentially facing the invidious position of transferring with a lower CETV. The uncertainty wasn't brought to a close until 28 June, which is when Quilter, categorically, advised Mr H to not transfer. But this only came just before the other (extended) CETV guarantee period ended. Add into the mix Mr H's reduced faith in his adviser – which was understandable given he had just been told his original recommendation had failed a quality assurance process – and I'm satisfied Quilter caused Mr H distress and inconvenience here.

Nevertheless, I think Mr H's distress and inconvenience was short term in nature – essentially just June 2022. Prior to that point, given what he knew at the time, I see no persuasive reason why Mr H would have considered the advice process had gone significantly awry. And after that point, Mr H would have been aware that he shouldn't transfer. So missing any CETV guarantee periods ought, reasonably, have been of minimal concern to Mr H from that point onwards as the transfer was deemed an unsuitable course of action to pursue.

With all this in mind, I'm satisfied a distress and inconvenience payment of £400 is fair and reasonable. I recognise Mr H considers this insulting and, in support of his argument, he has pointed me towards this Service's approach to such awards as well as his own comments on the impact the events had, and continue to have, on him. I've considered everything he has said, and I'm sympathetic to what he describes. But, as I say, I think Quilter's actions – somewhat shambolic though they were in places – can only realistically have impacted him for a limited period.

Mr H has also pointed to what he considers to be the relevant considerations when this Service looks at any case, which he lists as being: the law, the regulator's rules and guidance, and what the ombudsman considers good industry practice. He suggests the investigator didn't take these into account, specifically in relation to his concerns about resourcing levels at Quilter and the competency of the adviser in question. As I'm sure Mr H will appreciate, our role is to look at Quilter's actions in this specific case. The root cause of those actions, and the way Quilter manages its business, isn't something we need to address or can realistically address in an individual complaint. Mr H's comments also suggest he wants to see a catalogue of misdemeanours, the compiling of which would, presumably, point to a different outcome to the complaint than the one proposed by the investigator. I can assure Mr H that I have considered everything in line with my remit, as laid out in the Dispute Resolution ("DISP") section of the FCA Handbook (most notably, given Mr H's comments, DISP 3.6.4R). It's also worth noting our role isn't to punish or fine a business for each breach of the rules they make.

Putting things right

For the reasons given above, I'm upholding Mr H's complaint because I think Quilter's actions caused him distress and inconvenience. I'm satisfied £400 is a fair and reasonable amount to pay for this. But I don't think Quilter has to take any further action to put things right for Mr H.

My final decision

For the reasons given above, I uphold Mr H's complaint. Quilter Financial Services Ltd must pay Mr H £400 for the distress and inconvenience its actions caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 5 December 2023.

Christian Wood
Ombudsman